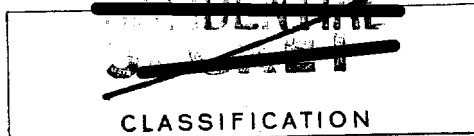


OFFICIAL DISPATCH

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VIA: \_\_\_\_\_  
SPECIFY AIR, OR SEA POUCH

DISPATCH NO.: [REDACTED]



DATE: 19 September 1949

TO : Chief, FBM ✓

FROM : Chief of Station, [REDACTED]

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SUBJECT: Mechanics of Field Base Financial Reporting

REF : WASH 0085 and [REDACTED]

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1. [REDACTED] has submitted under reference memorandum a statement of his handling of the [REDACTED] financial accounts and the shortage of \$800 not reported in [REDACTED] investigation of the [REDACTED] shortage.

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2. The apparent lack of reconciliation between [REDACTED] books and [REDACTED] report was due to a misunderstanding by [REDACTED]. She states that she was aware that some sort of coordination with [REDACTED] accounts was needed and had thought that from some general discussions she had had with him that they were in agreement. On receipt of WASH 0085 when the matter was discussed in detail with [REDACTED] it was immediately apparent that no reconciliation in terms of financial procedures had been made. It is regretted that this error was not discovered sooner.

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3. The development of financial procedures used on field base accounts has been gradual. Some years ago the Intelligence Branch of the Mission found that for proper agent control considerable information was needed concerning payments made to agents in supplies and in money. These requirements were considerably more detailed than anything then required by Headquarters in the way of accounting. As a result, the Branch put out directives to the Field Bases to cover the information to be submitted in monthly reports. The details, being mainly of interest to the Branch, were therefore thoroughly checked within the Branch before the financial reports were sent to the finance office and the supply reports were filed. In the spring of 1947 this

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Date: 26 SEP 1978
By: [REDACTED]

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responsibility was moved to the Chief of Station's office when agent control was moved to that office. As our conception of agent control broadened, our requirements for accounting became more detailed. In the summer of 1947 when Washington first asked for a breakdown of expenditures by type of expenditure and then asked for projects on expenditures, it was easy for us to comply because we were already receiving from the field bases the necessary information.

4. Since up until very recently our requirements of our bases were more stringent than the requirements as received from Washington and since the reports tied in so directly with our agent control efforts, it has always seemed advisable to have the major portion of the checking of these reports done in this office. It should also be pointed out that the amount of work done in the Finance Office would preclude as detailed a check of each expenditure as has always been made. It is believed that this is true despite the particular mess of the [REDACTED] accounts. A general review of the financial reports as submitted naturally remains as a responsibility of the Finance Officer, whose ability to keep a close check on the [REDACTED] finances has certainly not been assisted by the great delays in the submission of the reports.

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